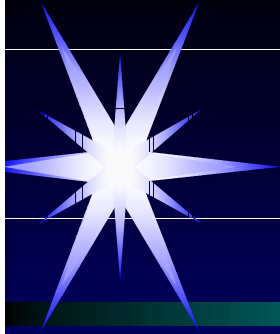


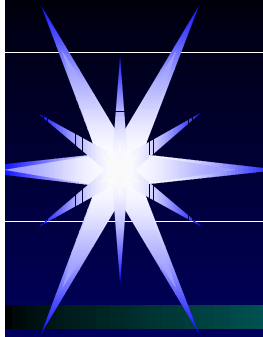
Distributed Generation

Stephen Quinn
VP Maintenance Services
Consolidated Edison Co.
October 6, 1999



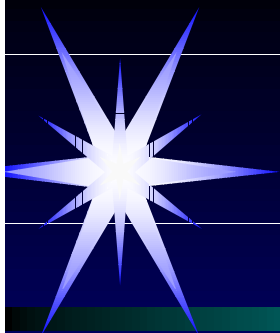
Distributed Generation Outline

- Background
- Key Issues
- Con Edison's Perspective
- What's Next?



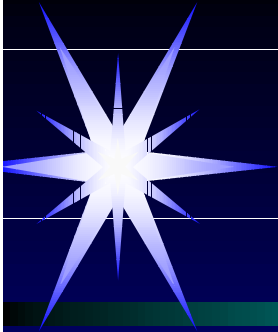
Opportunity

- **Developing company policy**
- **Policy at holding company level**
- **Broad perspective**



Distributed Generation Background

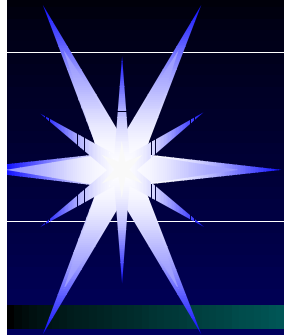
- **Distributed Generation < 10000 kW**
- **Number of Sites 68**
- **Market Segments**
 - 18 - Industrial**
 - 35 - Commercial**
 - 15 - Residential**
- **Majority of Sites are Grid Connected**



Distributed Generation Key Issues

- Operations
- Planning
- Rate Design
- Others

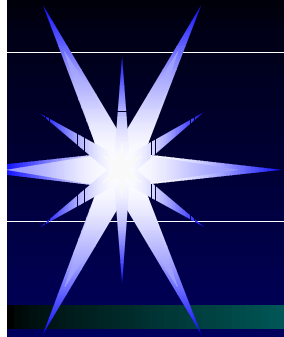




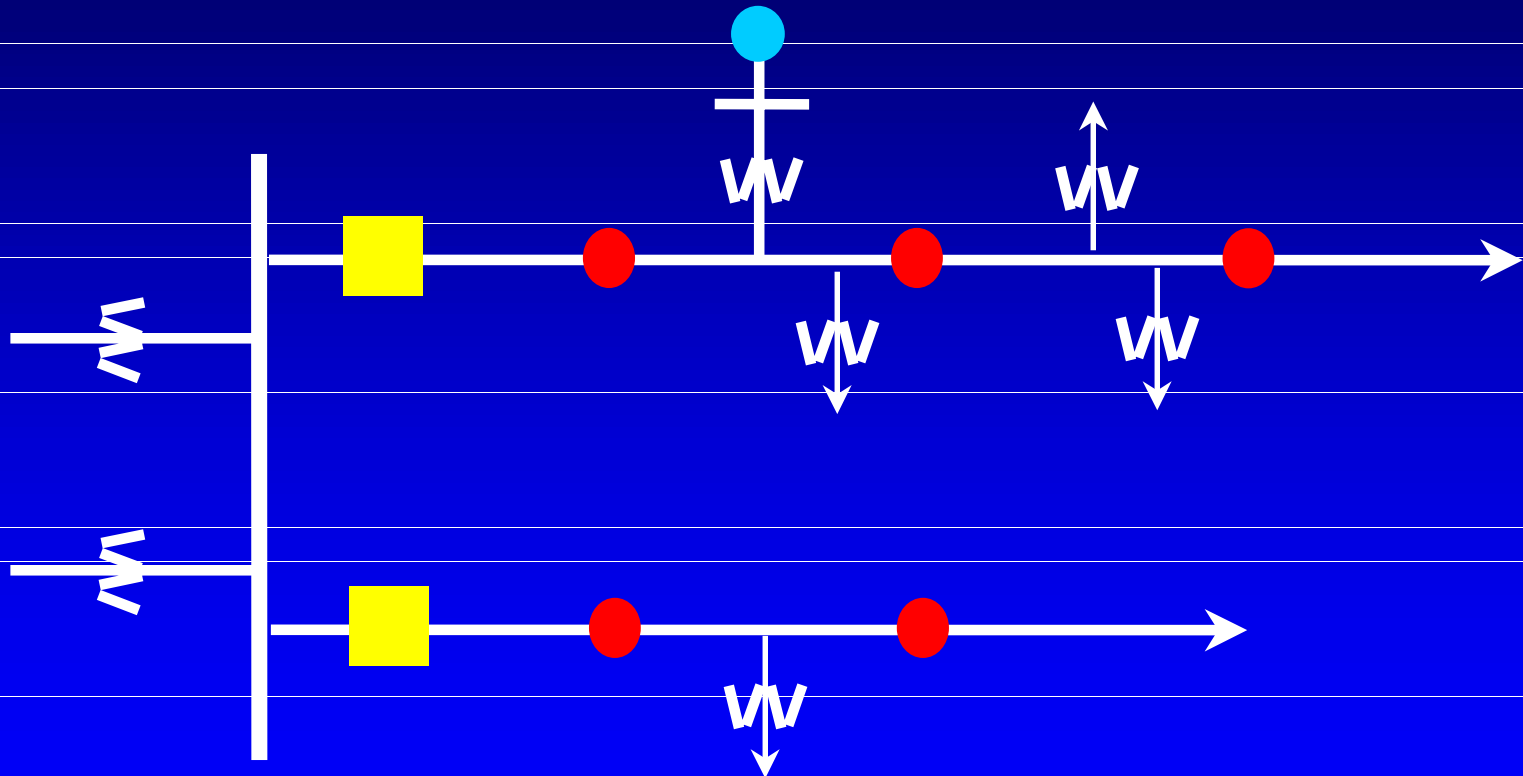
Key Issues Operations

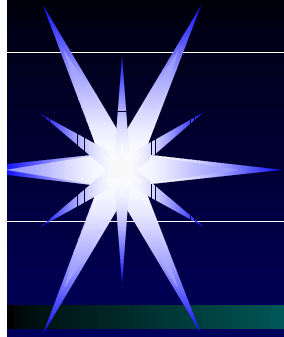
- *Safety*
- *Parallel Operation*
- *Dispatch and Control*



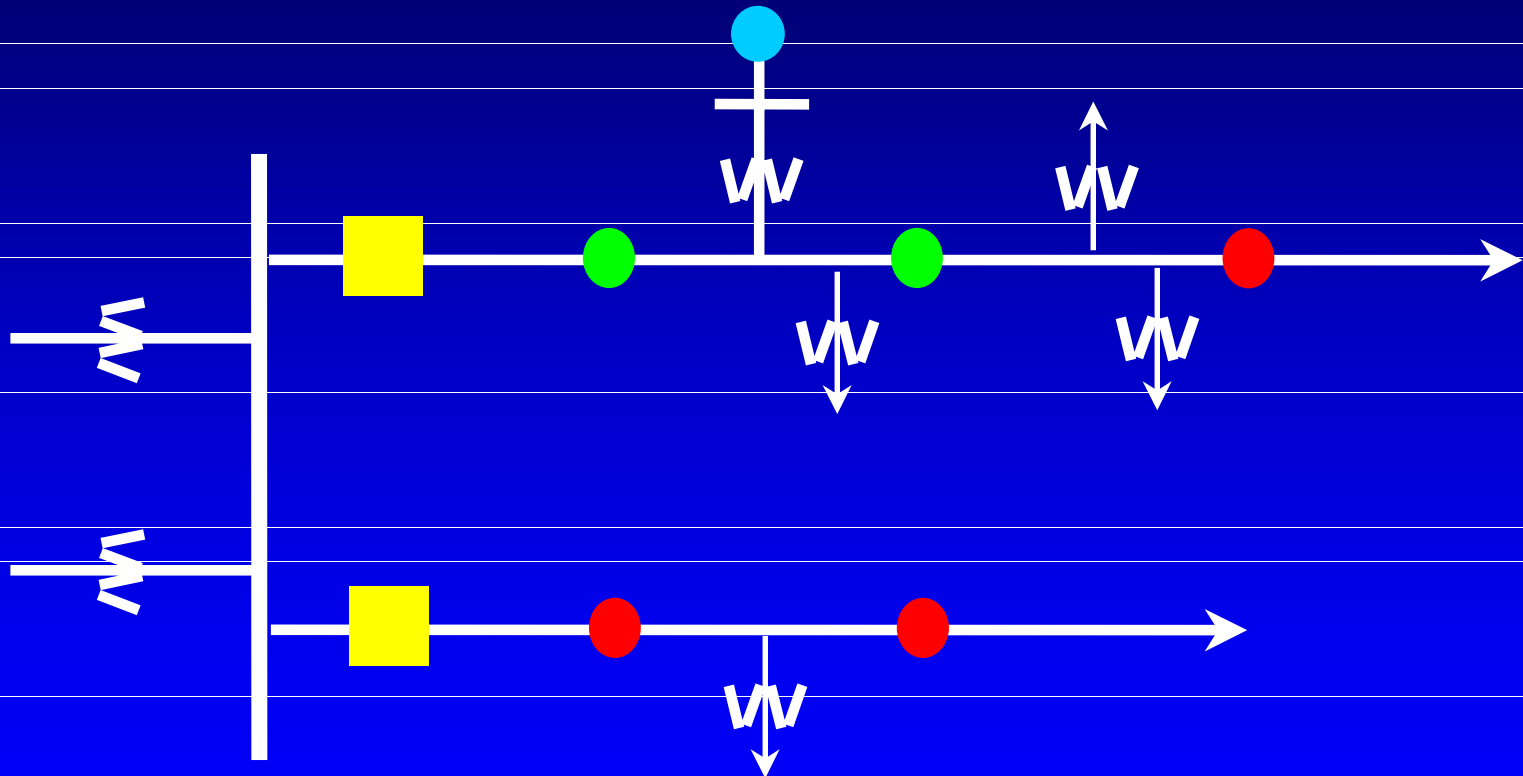


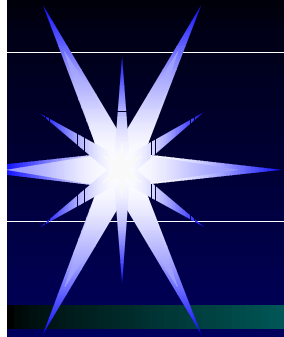
Key Issues Operations



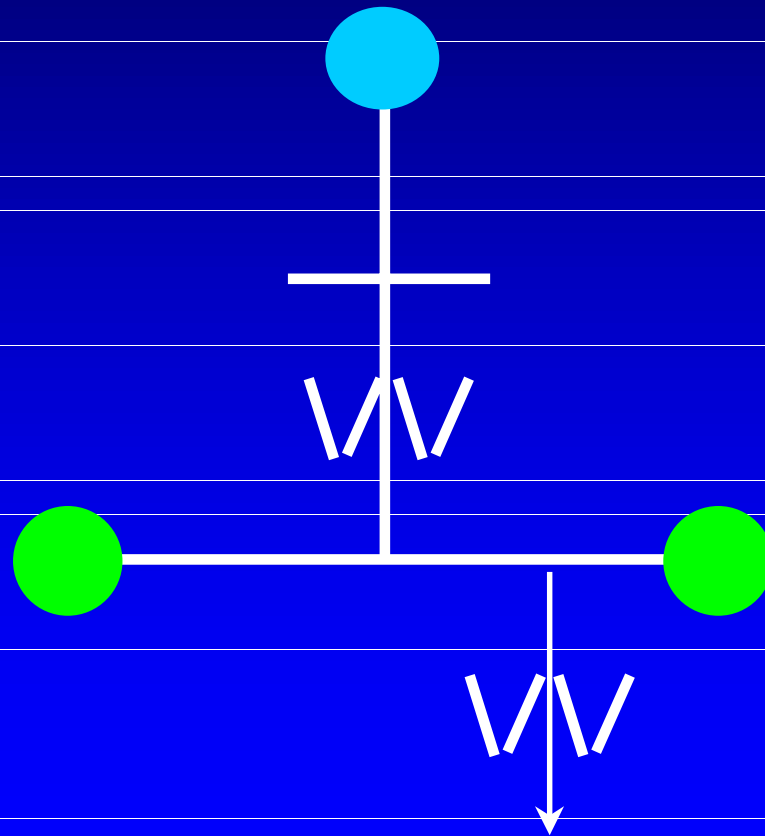


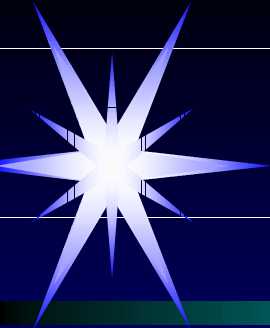
Key Issues Operations



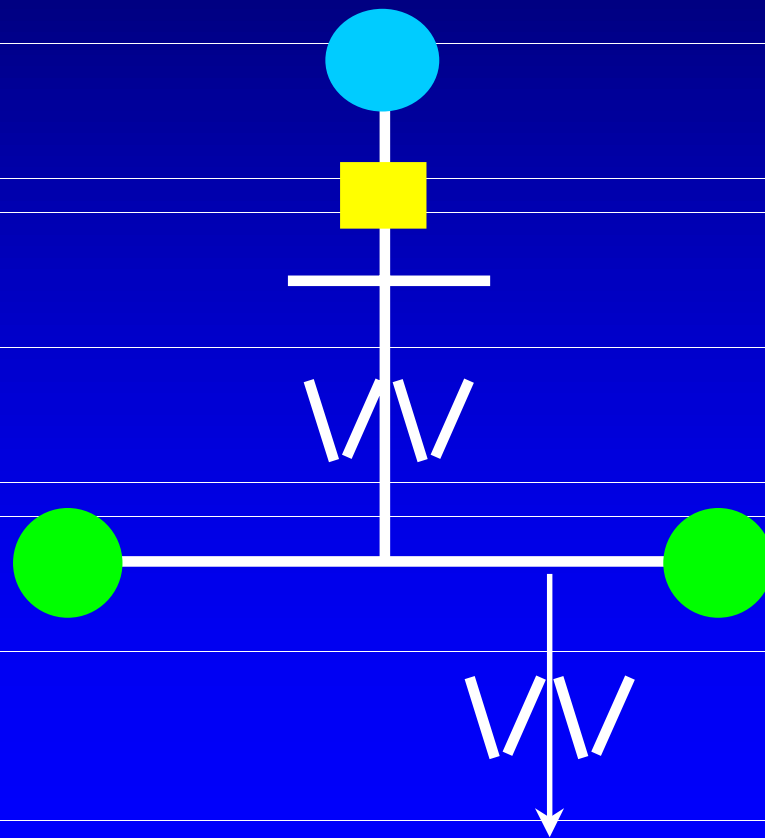


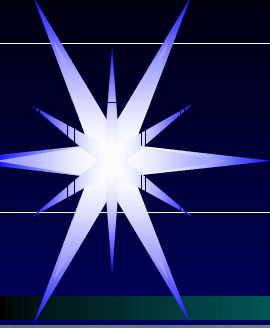
Key Issues Operations





Key Issues Operations



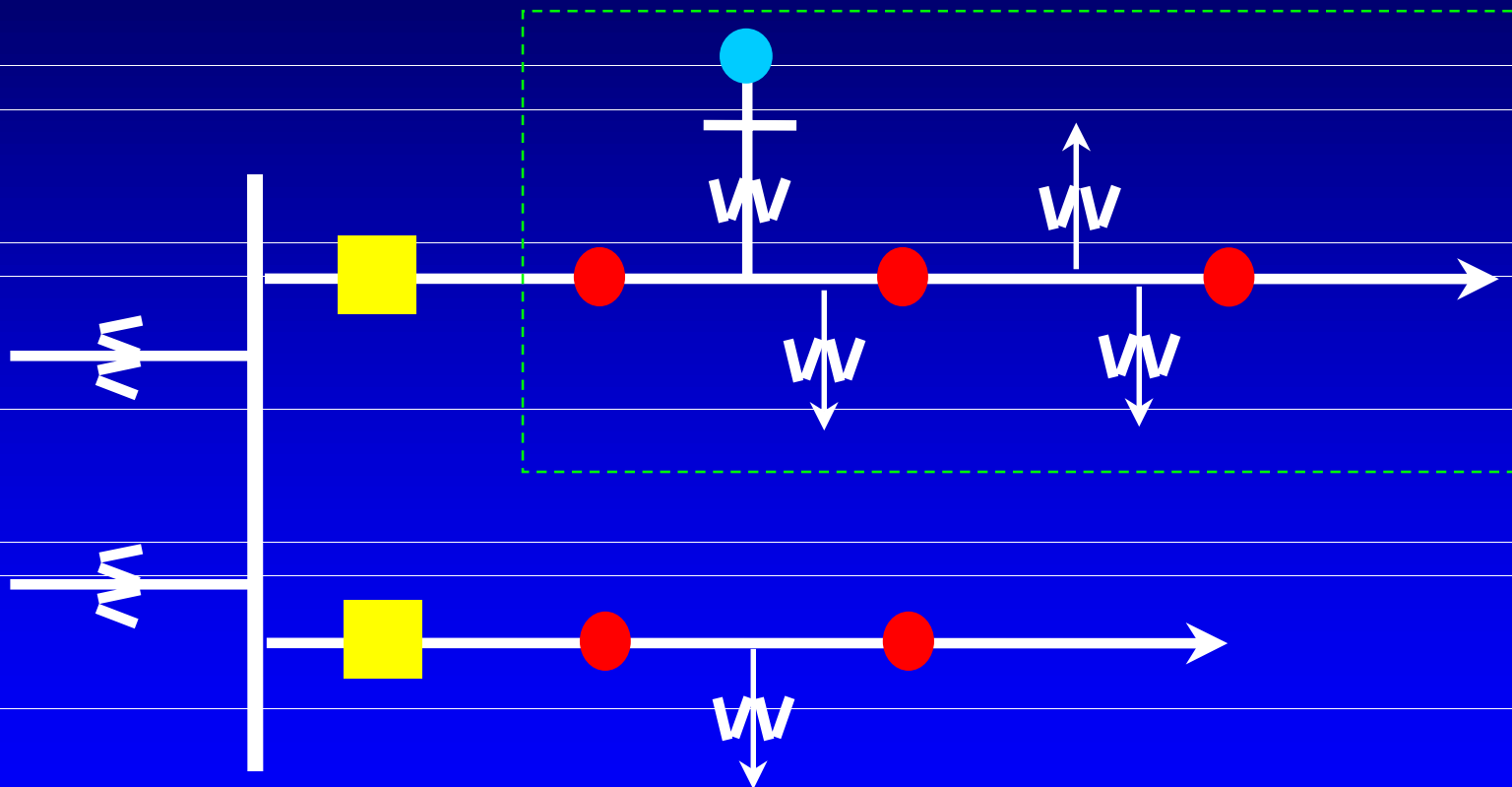


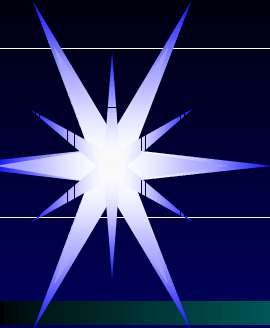
Key Issues Planning

- *Reliability*
- *Design Assessment*

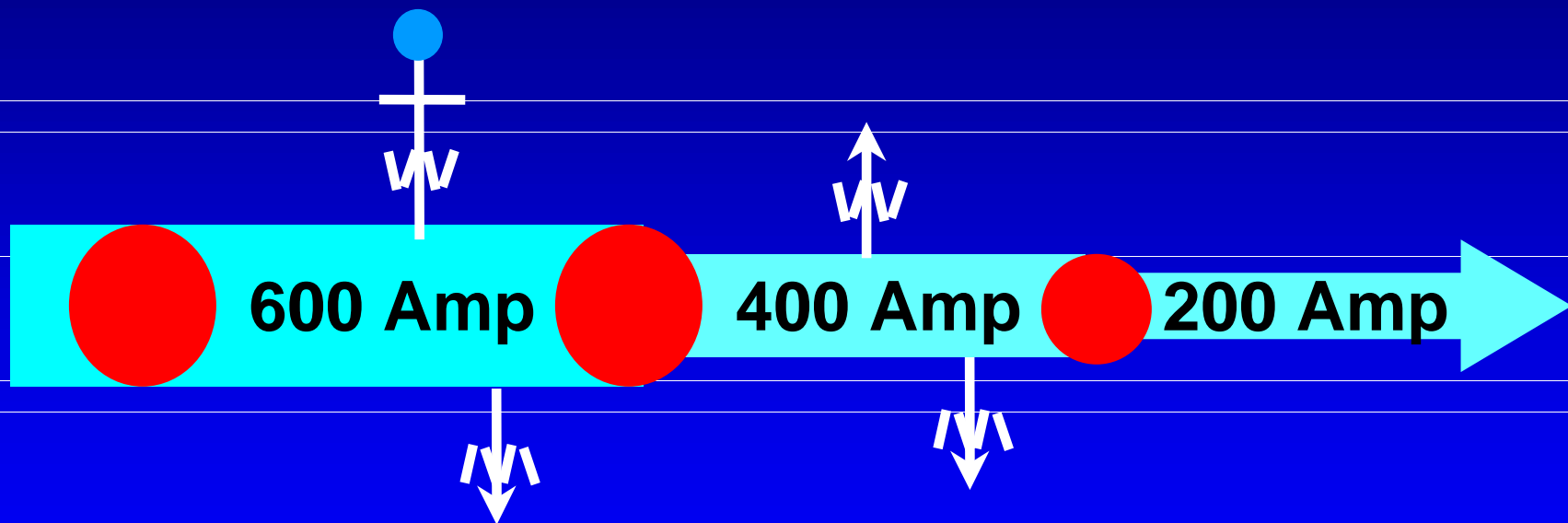


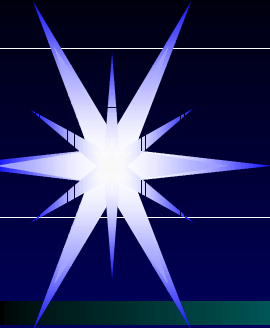
Key Issues Planning



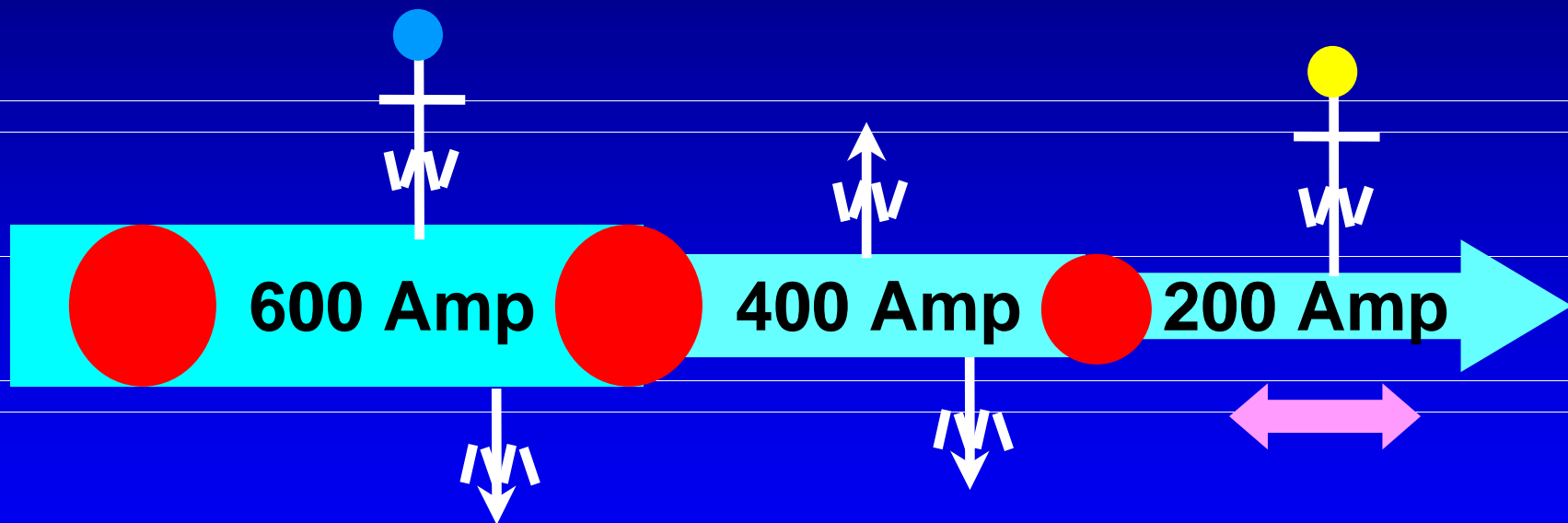


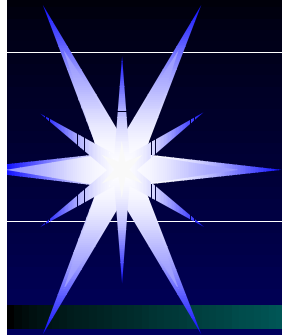
Key Issues Planning





Key Issues Planning





Key Issues Rate Design

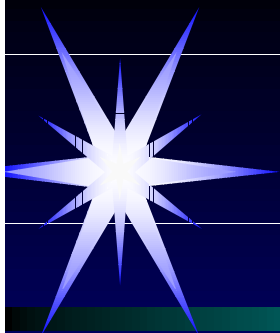
- *Interconnection Cost*
 - *Customer System*
 - *Utility System*
- *Utility Back-Up Service*
- *Competitive Pricing*





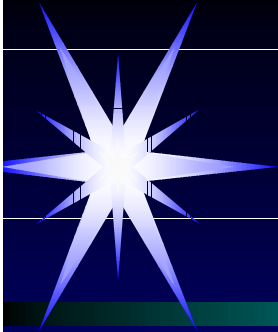
Key Issues Others

- 
- *Liability*
 - *Contracts*
 - *Location*
 - *Deregulation*



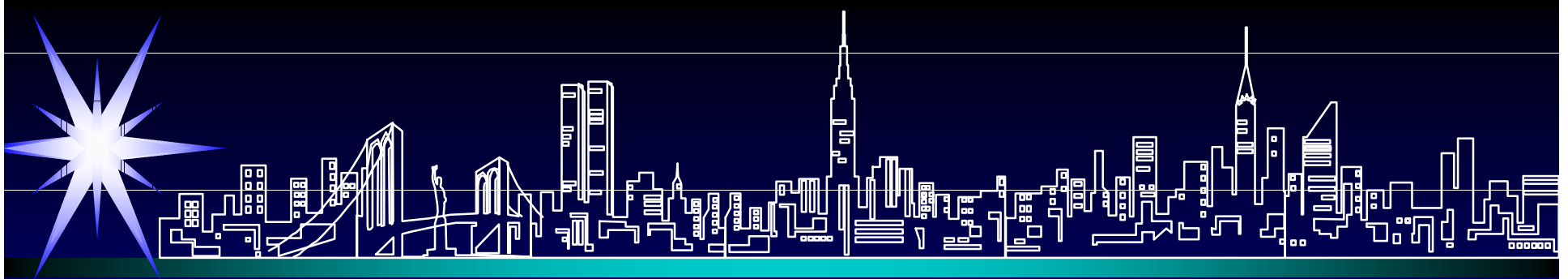
Distributed Generation Con Edison's Perspective

- **Maintain Service Reliability and Safety**
- **Competitive Pricing of Distributed Generation Technology**
- **Distributed Generation May:**
 - **Minimize Need for Long Term Investments**
 - **Provide Enhanced Service to those Customers that Require it**
 - **Provide New Business Opportunities**



Distributed Generation What's next?

- **Procure, Install & Test Distributed Generation Devices**
- **Gain Hands-on Experience**
- **Formalize Corporate Process**
- **Continue to Participate in Development of Interconnection Standards**



Distributed Generation